



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

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FOR IMMEDIATE RELEASE
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DECEMBER REVENUES

NASHVILLE - Tennessee revenue collections for December reflect a slight improvement in consumer spending, but business taxes continued to show weakness. Overall revenues were \$885.7 million or \$55.7 million less than the state budgeted.

"Sales taxes in December brought us the largest monthly growth rate so far this fiscal year," Finance & Administration Commissioner Dave Goetz said. "However, we are still monitoring business taxes very closely, as collections in the current month will tell us if the dropoff we saw in October was a trend."

On an accrual basis, December is the fifth month in the 2007-2008 fiscal year.

The general fund was under collected by \$51 million and the four other funds were under collected by \$4.7 million.

Sales tax collections were \$5.1 million less than the estimate for December. The December growth rate was 4.67%. For five months revenues are under collected by \$59.5 million.

Franchise and excise taxes combined were \$35.8 million below the budgeted estimate of \$186.5 million. For five months revenues are under collected by \$73.5 million.

Gasoline and motor fuel collections for December decreased by 2.55% and they were \$3.3 million below the budgeted estimate of \$72.2 million. For five months revenues are over collected by \$2.2 million.

Tobacco tax collections were \$6.3 million below the budgeted estimate of \$28.8 million, and for five months they are \$40.3 million below the budgeted estimate.

Year-to date collections for five months were \$182.1 million less than the budgeted estimate. The general fund was under collected by \$186.2 million and the four other funds were over collected by \$4.1 million.

The budgeted revenue estimates are based on the State Funding Board's consensus recommendation adopted by the first session of the 105th General Assembly in June of 2007.

<p align="center">REVENUE COLLECTIONS DECEMBER, 2007, AND 5 MONTHS YEAR-TO-DATE</p>
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December Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$794,703,000	\$743,666,000	(\$51,037,000)
Highway Fund	54,467,000	51,658,000	(2,809,000)
Sinking Fund	26,499,000	26,428,000	(71,000)
City & County Fund	63,265,000	61,522,000	(1,743,000)
Earmarked Fund	2,519,000	2,440,000	(79,000)
Total	\$941,453,000	\$885,714,000	(\$55,739,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$3,719,303,000	\$3,533,104,000	(\$186,199,000)
Highway Fund	284,025,000	285,373,000	1,348,000
Sinking Fund	133,072,000	132,542,000	(530,000)
City & County Fund	314,043,000	317,296,000	3,253,000
Earmarked Fund	13,884,000	13,914,000	30,000
Total	\$4,464,327,000	\$4,282,229,000	(\$182,098,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	December			
	2006	2007	Change	Percent
Franchise & Excise	\$220,397,000	\$150,747,000	-\$69,650,000	-31.60%
Income	3,589,000	3,740,000	151,000	4.21%
Inheritance & Estate	7,599,000	10,436,000	2,837,000	37.33%
Gasoline	54,000,000	48,969,000	-5,031,000	-9.32%
Petroleum Special	5,632,000	4,315,000	-1,317,000	-23.38%
Tobacco	10,715,000	22,446,000	11,731,000	109.48%
Beer	1,296,000	1,365,000	69,000	5.32%
Motor Vehicle Registration	15,605,000	14,547,000	-1,058,000	-6.78%
Motor Vehicle Title	790,000	708,000	-82,000	-10.38%
Mixed Drink	4,263,000	4,242,000	-21,000	-0.49%
Business	1,305,000	1,678,000	373,000	28.58%
Privilege	20,847,000	18,291,000	-2,556,000	-12.26%
Gross Receipts	120,000	(22,000)	-142,000	118.33%
TVA - In Lieu of Tax Payments	21,114,000	22,012,000	898,000	4.25%
Alcoholic Beverage	3,785,000	4,048,000	263,000	6.95%
Sales and Use	537,361,000	562,440,000	25,079,000	4.67%
Motor Vehicle Fuel	11,005,000	15,552,000	4,547,000	41.32%
Severance	126,000	127,000	1,000	0.79%
Coin-operated Amusement	17,000	7,000	-10,000	-58.82%
Unauthorized Substance	171,000	66,000	-105,000	-61.40%
Total	\$919,737,000	\$885,714,000	(\$34,023,000)	-3.70%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - December			
	2006-2007	2007-2008	Change	Percent
Franchise & Excise	\$563,831,000	\$513,255,000	-\$50,576,000	-8.97%
Income	11,477,000	12,057,000	580,000	5.05%
Inheritance & Estate	48,698,000	39,490,000	-9,208,000	-18.91%
Gasoline	255,144,000	261,388,000	6,244,000	2.45%
Petroleum Special	27,341,000	26,803,000	-538,000	-1.97%
Tobacco	52,829,000	110,565,000	57,736,000	109.29%
Beer	7,623,000	8,096,000	473,000	6.20%
Motor Vehicle Registration	92,857,000	91,598,000	-1,259,000	-1.36%
Motor Vehicle Title	4,514,000	4,393,000	-121,000	-2.68%
Mixed Drink	21,357,000	22,382,000	1,025,000	4.80%
Business	8,056,000	8,588,000	532,000	6.60%
Privilege	120,447,000	115,095,000	-5,352,000	-4.44%
Gross Receipts	14,250,000	14,083,000	-167,000	-1.17%
TVA - In Lieu of Tax Payments	99,676,000	116,252,000	16,576,000	16.63%
Alcoholic Beverage	16,517,000	17,559,000	1,042,000	6.31%
Sales and Use	2,749,250,000	2,841,436,000	92,186,000	3.35%
Motor Vehicle Fuel	75,509,000	77,373,000	1,864,000	2.47%
Severance	575,000	832,000	257,000	44.70%
Coin-operated Amusement	85,000	53,000	-32,000	-37.65%
Unauthorized Substance	749,000	931,000	182,000	24.30%
Total	\$4,170,785,000	\$4,282,229,000	\$111,444,000	2.67%

Table 3
August - December Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ (56,700,000)	\$ (2,800,000)	\$ (59,500,000)
Income Tax	(600,000)	(300,000)	(900,000)
Inheritance Tax	(3,700,000)	0	(3,700,000)
Privilege Tax	(17,500,000)	0	(17,500,000)
Business Tax	1,100,000	0	1,100,000
TVA	4,800,000	3,600,000	8,400,000
Gross Receipts	(500,000)	0	(500,000)
Gasoline & Motor Fuel Taxes	(200,000)	2,400,000	2,200,000
Motor Vehicle Registration	400,000	800,000	1,200,000
Other Taxes	(39,800,000)	400,000	(39,400,000)
Sub-Total	\$ (112,700,000)	\$ 4,100,000	\$ (108,600,000)
F & E Taxes	(73,500,000)	0	(73,500,000)
Total	\$ (186,200,000)	\$ 4,100,000	\$ (182,100,000)